

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company  
for Adoption of its 2004 Energy Resource  
Recovery Account (ERRA) Forecast Revenue  
Requirement, for Review of Contract  
Administration, Least Cost Dispatch and  
Procurement Activities during the Record Period  
January 1, 2003, Through May 31, 2003, and for  
Approval of its 2004 Ongoing Competition  
Transition Charges (CTC) Revenue Requirement  
and Proposed Rate Design.

(U 39 E)

Application 03-08-004  
(Filed August 1, 2003)

**ADMINISTRATIVE LAW JUDGE'S RULING  
REGARDING EFFECT OF EXHIBIT 18 ON PRIOR YEARS**

On April 23, 2004, Pacific Gas and Electric Company (PG&E) submitted its errata removing five qualifying facility contracts from PG&E's 2004 ongoing Competition Transition Charge (CTC) revenue requirement. This change had the effect of reducing the CTC revenue requirement for 2004, and increasing the 2004 Energy Resource Recovery Account (ERRA) revenue requirement. The errata was entered into evidence as Exhibit 18 as a result of the May 25, 2004 administrative law judge's ruling.

It appears that Exhibit 18 may affect the calculations of the prior years ERRA and CTC revenue requirements because of the inclusion of the five qualifying facility contracts in the calculation of the CTC. As a result of including these five contracts in the CTC calculation, this may have resulted in

an overcollection of the CTC and an undercollection of the ERRA in the prior years.

This ruling seeks comment from the parties on the effect of Exhibit 18 on the prior years' calculations of the ERRA and CTC. Parties commenting on this ruling should address the following:

1. Does the inclusion of the five qualifying facility contracts in Exhibit 18 affect the calculations of the ERRA and CTC in prior years, and if so, what is the numerical effect on those calculations?
2. Should the Commission adjust the ERRA and CTC in the prior years to account for the possible overcollection of the CTC and undercollection of the ERRA?
3. Are there any settlements or Commission decisions which may prevent the Commission from adjusting the ERRA and CTC for those prior years?
4. Are further evidentiary hearings needed to resolve this adjustment issue?

PG&E shall, and interested parties may, file as part of their CTC opening briefs due on June 11, 2004, their comments to the above questions. In the reply briefs which are due on June 25, 2004, parties may respond to each others comments regarding this adjustment issue.

**IT IS RULED** that:

1. Pacific Gas and Electric Company shall, and interested parties may, file as part of their opening briefs on the Competition Transition Charge (CTC) issue, which are due on June 11, 2004, their comments to the adjustment issue questions listed above.

2. Parties may respond to each others comments regarding the adjustment issue in their CTC reply briefs which are due on June 25, 2004.

Dated June 4, 2004, at San Francisco, California.

/s/ JOHN S. WONG

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John S. Wong  
Administrative Law Judge

**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Regarding Effect of Exhibit 18 on Prior Years on all parties of record in this proceeding or their attorneys of record.

Dated June 4, 2004, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.